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ARGENTINA. Nov. 17.—Señor Miguel Miranda, chairman of the National Economic Council, told the press that the U.S. Military Mission to Argentina had bought 25,000 tons of maize, and declared that Argentina was willing to sell all surplus produce, including meat, at the prices ruling in the U.S.A. free export market provided that the U.S.A. would deliver all goods needed by Argentina from the U.S.A. at the normal prices of the U.S.A. internal market; otherwise the cost of Argentine produce would rise proportionately to the cost of goods imported from the U.S.A, as was occurring with petrol.

AUSTRIA. Nov. 19.—The Communist Party withdrew Dr. Karl Altman, Minister for Electrification, from the Government in protest against the law "for the protection of the currency".

Nov. 20.—Note *re* Lobau refineries. (see U.S.S.R.)

Nov. 21.—Parliament passed the Bill "for the protection of the currency through a reduction of the note circulation" by 161 votes to 4. The Bill provided for the cancellation of funds deposited before April, 1945; the conversion into 2 per cent State bonds redeemable at some later date of all funds deposited between the end of the war and December, 1945; the blocking of funds deposited after January, 1946, 25 per cent for 6 months and 25 per cent for 9 months; and the exchange of all bank notes in circulation at the rate of 3 to one, except for the 150 schillings note at one for one.

BURMA. Nov. 10.—The Deputy Prime Minister, Col. Let Ya, with two other Ministers and senior Army officers, left for Arakan to confer with local authorities there on steps to be taken for the rounding up of dacoits in that area.

Nov. 17.—U Ba Gyan took over the portfolio of Finance from U Tin Tut and was succeeded as Minister of Commerce by U Ko Ko Gyi.

The A.F.P.F.L. broke off negotiations with the Burma Communist Party for a combination of left-wing parties.

CANADA. *Nov. 13.*—It was learned that Canada's supply of gold and U.S. dollars was \$500m., a reduction of about \$745m. since the end of 1946.

Nov. 14.—The 1947 wheat crop was finally estimated at 340,800,000 bushels, compared with 413,700,000 in 1946.

The Minister of Trade and Commerce, Mr. Mackinnon, announced that business for Canadian industry valued at many million dollars had been arranged through the mission headed by himself which had visited South Africa and other countries, including Southern Rhodesia, Belgian Congo, Egypt, Greece, Italy, and Portugal.

Nov. 17.—Loan from the Export-Import Bank. (see U.S.A.)

Nov. 18.—The Finance Minister, Mr. Abbott, announced measures to correct Canada's foreign exchange position, including the credit of \$300m. from the Export-Import Bank, a plan for the rapid and substantial increase of gold output, a short-term policy of import and travel restrictions, and a 25 per cent excise tax on a wide range of durable consumer goods. He made it clear that the restrictive measures introduced were of an emergency character. The new taxes were not designed to raise revenue but to limit expenditure. He emphasised the far-reaching importance of the Geneva tariff reductions in offering new opportunities of trade with the U.S.A. He noted that the U.S. Government had recommended to Congress that it should authorise funds voted for aid to Europe in making purchases outside the United States, and went on: "The Governments of Canada and the U.S.A. are consulting on measures designed to achieve the maximum degree of economic co-operation between the two countries." Canada would continue, if it was at all possible, to make available at an appropriate rate the considerable balance of foreign credits she had granted to assist the European recovery so vital to her own prosperity.

He explained that the step taken in arranging for a credit from the Export-Import Bank was a departure from the normal practice of securing the necessary United States dollars by the sale of obligations to banks or other private investors in the United States. The possibility of borrowing in this form would be investigated by the Government in the near future. But for the present the loan provided an additional margin of safety and could be regarded as temporary financing intended to ensure ample liquid resources until other remedial measures had time to produce their full results.

To increase the gold output the Government intended to defray for three years the cost of additional gold production, above the amounts produced in the year ended June 30, to the extent of \$7 for each ounce of such additional production. The import of some consumer goods would be prohibited and imports of others restricted.

Nov. 21.—The Minister of Reconstruction, Mr. Howe, stated that

an expansion of U.S. dollar exports should be regarded as a national objective until the adverse balance of trade with the U.S.A. was adjusted. To conserve resources and divert the greatest possible surplus to export markets, expenditure on capital goods which would immediately strengthen the country's economy must have priority.

CEYLON. *Nov. 14.*—Texts of agreements concluded with the Ceylon Government as a prelude to constitutional development, "Proposals for conferring on Ceylon fully responsible status within the British Commonwealth of Nations", were published (Comd. 7257). The agreements related to defence, external affairs, and public officers, and foreshadowed the enactment of the Ceylon Independence Bill.

The agreements were to become operative when the constitutional measures came into force. That relating to defence provided that:

"The Government of the United Kingdom and the Government of Ceylon will give to each other such military assistance for the security of their territories, for defence against external aggression and for the protection of essential communications as it may be in their mutual interest to provide. The Government of the United Kingdom may base such naval and air forces and maintain such land forces in Ceylon as may be required for these purposes, and as may be mutually agreed.

"The Government of Ceylon will grant to the Government of the United Kingdom all the necessary facilities for the objects mentioned in the preceding paragraph as may be mutually agreed. These facilities will include the use of naval and air bases and ports and military establishments and the use of telecommunications facilities.

"The Government of the United Kingdom will furnish the Government of Ceylon with such military assistance as may from time to time be required towards the training and development of Ceylonese armed forces. The two Governments will establish such administrative machinery as they may agree to be desirable for the purpose of co-operation in regard to defence matters, and to co-ordinate and determine the defence requirements of both Governments."

The agreement on external affairs declared the readiness of Ceylon to adopt and follow the resolutions of past Imperial Conferences; defined the representation of the two Governments in London and Colombo; made arrangements for the interchange of information, consultation, and diplomatic representation and pledged United Kingdom support for any application by Ceylon for membership of the United Nations or any specialised international agency.

The Public Officers Agreement protected the positions of specified classes of persons holding offices in the public service of Ceylon.

CHINA. *Nov. 12.*—Communists penetrated into Shihchiachwang on the Peking-Hankow railway after a fortnight's severe fighting.

Nov. 19.—Note on Japanese peace treaty. (see page 682.)

Nov. 21.—A general election was held. Manchuria and North China, with the exception of Peking and Tientsin, did not take part.

CZECHOSLOVAKIA. *Nov. 10.*—An air agreement was signed with Britain confirming the existing arrangements.

Nov. 17.—It was officially announced that 36 persons had been arrested in various parts of the country for alleged espionage on behalf of an unnamed foreign Power.

Nov. 20.—It was announced that several persons had been arrested in connection with the sending of bombs through the post in September to Socialist Ministers and M. Masaryk.

The new Slovak Board of Trustees was formed, containing, as before, one non-political representative. The Democrats lost their majority on the board, the deciding votes being in the hands of the Freedom and Social Democratic parties.

DENMARK. *Nov. 11.*—M. Hedtoft, Socialist, formed a Government. M. Rasmussen, Foreign Minister in the Agrarian Government retained his post. Other members were: Economic Affairs, Wilhelm Buhl; Finance, H. C. Hansen; Agriculture, Kristen Bording; Defence, Rasmus Hansen; Interior, Alsing Andersen; Social Affairs, Johannes Stroem; Justice, Niels Busch-Jensen; Housing, Johannes Kjaerboel; Public Affairs, Carl Petersen; Fishing, Christian Christensen; Ecclesiastical Affairs, Frede Nielsen; Labour, Marius Soerensen; Commerce, Jens Krag; Education, Hartvig Frisch; Without Portfolio, Fanny Jensen.

Nov. 14.—Agreement on eggs. (*see Great Britain.*)

EGYPT. *Nov. 12.*—The King, in a speech opening Parliament, reaffirmed the Government's aim to achieve complete independence, unabridged sovereignty, unity of the Nile Valley, and the "evacuation of both parts of the Valley, Egypt, and Sudan, by foreign troops".

He said that the dispute with Britain, taken to the United Nations, still remained on the Security Council's agenda, but "if the British Government should decide to accept the Egyptian demands the two countries would, within the framework of the United Nations Charter, consolidate their relations on the basis of equal sovereignty; if not, the Egyptian Government would continue its efforts to achieve its total national claims." Regarding the former Italian colonies, the Egyptian Government was in favour of the establishment of a free, independent, and united Libya. As for Palestine, the Arab countries would accept no solution that did not recognize the right of the Arabs, the legitimate inhabitants of Palestine, to the independence and unity of their country. Any other solution would not only fail but would gravely imperil the security of the Middle East. Egypt welcomed the constitution of Pakistan and India and hoped that Indonesia would soon enjoy peace and full liberty and independence. It would always be the aim of Egypt to support the Arab League.

Nov. 19.—The Prime Minister, Nokrashy Pasha, took over the Finance portfolio and relinquished the Foreign Affairs portfolio to Khashaba Pasha, who was succeeded as Minister of Justice by Mursi

Badr Bey. Mohammed Haidar Pasha became Minister of National Defence in place of Ahmed Attieh Pasha, and Mahmud Hassan Pasha became Minister of State, and was succeeded as Minister of Social Affairs by Gallal Fahim Pasha. The Cabinet now consisted of 4 Saadists, 4 Constitutional Liberals, and one Independent.

FRANCE. Nov. 10.—In Marseilles, disturbances followed a protest staged by the C.G.T. and Communists against the increase in tram fares; and four trade unionists were arrested.

Nov. 12.—Three of the trade unionists arrested in Marseilles were sentenced to 10 years' imprisonment. Serious rioting, led by Communists, occurred as a protest against these sentences, and one of the demonstrators was killed in the fighting. Port workers and some workers in other industries went on strike.

Nov. 14.—The Assembly passed a Bill empowering the Government to introduce the franc into the Saar as legal currency in place of the Saar mark.

The Council of Ministers adopted decrees raising the prices of gas and electricity by 45 per cent, and railway and other fares by 25 per cent.

The Communist Party expressed its complete support for the "working and democratic population of Marseilles in its struggle against the American party". It was estimated that some 60,000 workers, including gas workers, were on strike there.

Police raided a Soviet repatriation camp near Paris in a search for three missing children and found two cases of arms.

Nov. 15.—The strike of millers, who had stopped work several days previously in Paris, spread to the provinces. Gas workers at Marseilles returned to work, but the strike of dock workers spread to Nice, Sète, and Corsica.

Nov. 17.—The Soviet Ambassador, in a protest to the Government over the search made of a Soviet repatriation camp, declared that such action constituted an infringement of the Franco-Soviet agreement of June, 1945, by which repatriation camps were established.

The Government sent a Note to the Soviet Government rejecting the Soviet protest and pointing out that the 1945 agreement did not extend to the camps the privileges of extraterritoriality, and that the presence of the three children in the camp in question had not been noted in the register, a fact which proved that the Soviet authorities intended to take them to Russia. In these circumstances, the Note added, the camp would be placed under exclusively French control from December 1.

Transport workers in Marseilles went on strike, raising the number of strikers to some 75,000.

Nov. 18.—The C.G.T. decreed a general strike in the metal industries in the Paris area. Some 100,000 miners in northern France went on strike. The Christian trade unions and the *Force Ouvrière* group urged workers not to take part in any agitation which might cause a fall in production since this was "essential to national recovery".

Nov. 19.—The Prime Minister, M. Ramadier, resigned "in order that a Government may be established which can act with the authority of all Republican parties".

Nov. 20.—The conversion rate for the Saar mark was fixed at 20 francs.

M. Léon Blum was asked to form a Government.

The President, appealing to strikers to return to work, said there was not only a political but a social crisis, and while the new Government, when formed, would take steps to remedy this, it was necessary, in the interests of the whole nation, that work be resumed.

Strikes spread in Marseilles, and 100,000 were reported out, including railway workers. In Paris, teachers decided to strike the following day, and Civil servants, in sympathy with the teachers, on Nov. 24. Some 60 per cent of the workers at the Citroën factory returned to work.

Nov. 21.—M. Blum failed to get a vote of confidence (308 votes) from the Assembly to confirm him in the Premiership. He received 300 votes, with 277 against and 24 abstentions.

C.G.T. members in the building industry in Paris went on strike. Work was resumed at some mines in the north, but other pits in the Loire area and in the Cévennes went on strike. The railway strike in Marseilles spread to Nice and Toulon.

Nov. 22.—Trade agreement. (*see Hungary.*)

M. Robert Schuman (M.R.P.) was asked to form a Government.

Nov. 23.—The Assembly confirmed M. Schuman in the Premiership by 412 votes to 184. The new Government was announced as follows: M.R.P. (6): Prime Minister, R. Schuman; Foreign Affairs, Georges Bidault; Armed Forces, P. H. Teitgen; Oversea Territories, Paul Coste-Floret; Agriculture, Pierre Pflimlin; Health and Population, Mme Poinsoot-Chapuis. Socialists (5): Interior, Jules Moch; Education, Marcel Naegelen; Labour, Daniel Mayer; Public Works and Transport, Christian Pineau; Industry and Commerce, Robert Lacoste. Radicals (2): Justice, André Marie; Finance and Economic Affairs, René Mayer. Independent Radical: Reconstruction, René Coty. U.D.S.R.: Ex-Service Men, François Mitterand.

The strike movement spread to miners in the Lorraine areas and to most dockers. Almost all railway traffic to and from Paris stopped. In Bruay and Lievin the Christian trade unions and the *Force Ouvrière* group organised a referendum which went heavily against the strike motion. During the counting of the votes the counting rooms were attacked and the ballot papers scattered.

GERMANY. *Nov. 11.*—Agents of the U.S. Military Government claimed to have frustrated an attempt to organise a Nazi underground movement in western Germany. Four former members of the S.S. were arrested.

Nov. 14.—French franc for the Saar. (*see France.*)

M. Laffon, Administrator-General of the French Zone, resigned.

Nov. 19.—North German Coal Control handed over responsibility

for production and distribution of Ruhr coal to the Deutsche Kohlen Bergbau Leitung, a German board of management.

Nov. 20.—Saar mark conversion rate. (*see France.*)

Nov. 21.—Marshal Sokolovsky, in a statement to the Allied Control Council, made the following points: (1) Demilitarisation. In 1945 in the Soviet zone, armed forces and semi-military organisations had been completely liquidated and also "in general all military objects and construction have been destroyed". In the western zones there had been "almost no progress" in the current half year. In the British zone, however, some remnants of military formations of the former German army forces had been preserved as so-called working parties or as servicing units headed by German officers. In the U.S. zone, the military training of German youths was being conducted in various types of sports organisations under the guidance of U.S. instructors. Large war plants which ought to be destroyed had been retained. "All these facts show that the U.S. and British occupation authorities are disrupting the work of liquidation of war plants in their zones. The retention of war potential both in the British and in the United States zones can have no other purpose than that of transforming these zones into a military base for Anglo-American imperialism in the centre of Europe."

Decartelisation also had not been carried out, and the monopolies which had been retained were a "menace to the future peace and security of the peoples".

(2) Reparations. "The lawful rights of the Soviet Union, recognized by the U.S. and British representatives at the Yalta and Potsdam conferences, to receive reparations from the western zones of Germany have been rudely violated, as have also the lawful rights of Poland." But "the U.S. and British authorities, under the guise of exports, are receiving huge concealed reparations by removing at extremely low prices the products of German industry and selling them to the world at high prices."

(3) "Militaristic ideology." In the U.S. and British zones, as well as in the corresponding sectors of Berlin, "intensive propaganda about another war is being carried on which is encouraged by the U.S.A. and British authorities".

(4) Failure to carry out denazification. The refusal to permit the Socialist Unity Party to operate was the most serious violation of the decisions of the Potsdam conference. Also, "Fascist criminals go unpunished". Further, agrarian reform in the west has been "scuttled". The directives issued did not "in fact lead to the liquidation of the political and economic domination by the landowners and Junkers in those zones and therefore cannot contribute to the democratisation of the social structure in that part of Germany".

(5) "Independent Anglo-American measures leading to the elimination of German unity." The western allies had acted behind the back of the Control Council in setting up bizonal agencies and for bringing about the fusion of the two zones. "We had been assured that this agreement [on unification] pursued only limited economic aims...

But it was clear . . . that in reality what was involved was the political and economic dismemberment of Germany." France had effected the separation of the Saar from Germany, "thus confronting the Control Council with an accomplished fact." The new level-of-industry plan was "another serious blow at the economic unity of Germany". Finally, and again behind the back of the Control Council, an independent agreement was reached by the British and Americans for joint control over the Ruhr mines. The actions of the U.S. and British authorities had found their further development "in the so-called Marshall plan, which has in view the subordination of the economy of the United States, British, and French zones to the American and British monopolies and the transformation of these regions of Germany and primarily the Ruhr into an industrial base of Anglo-American imperialism in Europe, with the intention of using it to exert pressure on European States which do not wish to be subjugated to American and British monopolies. They presuppose the achievement of these aims, relying on the support of those large German capitalists who helped Hitler to seize power and who supported his aggressive policy." The U.S.S.R. put forward a "just demand" that the Ruhr should be under quadripartite control. With its enormous industries it was of "exceptional importance from the military as well as from the general economic point of view and cannot be controlled by any one or two Powers".

GREAT BRITAIN. *Nov. 10.*—Air agreement. (*see Czechoslovakia.*)

Nov. 12.—The Chancellor of the Exchequer introduced a supplementary Budget, the principal points of which were: a 10 per cent tax on football pools and dog racing; the doubling of the profits tax to 25 per cent; increases in the purchase tax; higher duties on beer, wines, and spirits. Subsidies on leather, cotton, and wool were to be withdrawn at the end of 1947. He estimated that the changes would produce a net increase in revenue of about £208m. in a full year.

Nov. 13.—Further statement on Palestine. (*see page 680.*)

The Chancellor of the Exchequer, Mr. Dalton, resigned because of what he described as a "grave indiscretion" on his part in disclosing his Budget proposals to a press correspondent before his speech to the House of Commons. Sir Stafford Cripps was appointed Chancellor, in addition to his post as Minister for Economic Affairs.

Nov. 14.—Agreement was reached between the National Coal Board and the miners' leaders on increases of 15s. a week in the minimum wage of underground coal workers and 10s. of surface workers. The National Executive Council of the National Union of Mineworkers approved a scheme to recruit 30,000 European volunteer workers and 10,000 German orphan boys for the British mines in the next 12 months.

M. K. Baginski, vice-chairman of the Polish Peasant Party, and M. Korbinski, legal adviser to the party, who escaped from Warsaw at the same time as M. Mikolajczyk, arrived in England.

In a speech unveiling a portrait of Pandit Nehru at India House, London, Lord Mountbatten said that he would not try to belittle the

troubles or the agonies of the people involved, but the numbers concerned in India's trouble spots could not possibly amount to more than 10 or 12 million people of the sub-continent's total population of 400 million. 97 per cent in fact were living in peace, doing their daily business in their new-found freedom.

It was announced that the British and Danish Governments had agreed to supersede the protocol of July 31, 1946, which regulated trade in eggs, bacon, and butter, by a new protocol so far as eggs were concerned. Average prices were increased.

Nov. 18.—The President of the Board of Trade, Mr. Wilson, stated in the House of Commons that the White Paper (Cmd. 7258) on the General Agreement on Tariffs and Trade (*see page 683*) contained the text of two supplementary agreements arising from the negotiations. He went on: "One is a short agreement between the U.S. Government and ourselves providing that as long as both countries remain parties to the more comprehensive General Agreement on Tariffs and Trade, the bilateral trade agreement . . . concluded in 1938 should be suspended", since the larger agreement comprehended all the advantages and provisions of the bilateral agreement. It did seem desirable to both Governments that if for any reason either should no longer be parties to the multilateral general agreement the tariff position existing between them under the 1938 trade agreement should be restored. The second agreement was with Canada to modify the agreement of 1937 to the extent made necessary by the adherence of both countries to the multilateral general agreement, the negotiation of which had required adjustments in the tariff arrangements between independent Commonwealth countries.

The White Paper also stated that the Government, together with Australia, Belgium, Canada, France, Luxembourg, the Netherlands, and the United States of America, had signed a protocol of provisional application in which they undertook to apply the General Agreement provisionally as from Jan. 1, 1948, though the provisions of Part II of the General Agreement were to be applied on this basis only to the fullest extent not inconsistent with existing legislation. It was open to other contracting parties also to apply the agreement provisionally.

Nov. 20.—Princess Elizabeth and Prince Philip, Duke of Edinburgh, were married in Westminster Abbey, London.

Nov. 21.—Mr. Marshall, U.S. Secretary of State, arrived in London.

Nov. 23.—M. Molotov arrived in London.

GREECE. *Nov. 14.*—On the termination of the 2-month amnesty granted by the Government on Sept. 13, it was announced that 5,000 left and right-wing guerilla fighters had surrendered under the amnesty. Of these not more than half were estimated to be left-wing.

A rebel band attacked Komotini, Thrace, but was repulsed.

U.S. Mission enlarged. (*see U.S.A.*)

Nov. 17.—The Foreign Minister, M. Tsaldaris, announced that agreement had been reached with the U.S.A. for the setting up of a joint Greek-U.S. Army Staff for operations against the rebels.

HUNGARY. Nov. 11.—The National Assembly passed a Bill granting the Government powers to govern by decree.

Nov. 12.—M. Pfeiffer in the U.S.A. (*see U.S.A.*)

Nov. 20.—Budapest radio announced that, following a decision by Parliament, the Ministry of the Interior had ordered the immediate disbandment of the Independent (Opposition) Party.

Nov. 22.—The Government sent a Note to the U.S.A. protesting against the protection alleged to have been given to M. Pfeiffer during his flight to the U.S. zone in Austria and later to the U.S.A. They described this protection as an "unfriendly act against the Hungarian people and Government" and as an encouragement to anti-democratic and Fascist forces.

A trade agreement was signed with Poland providing for the export to Poland of oil and oil products in exchange for coke. A trade agreement was also signed with France providing for the export of agricultural goods, meat, seeds, and tractors in exchange for French trucks, buses, artificial manures, textiles, and chemical products.

INDIA. Nov. 10.—The Dewan of Junagadh, Sir Shah Nawaz Bhutto, said that handing over the administration of the State to India through its Regional Commissioner at Rajkot was comparable to "inviting a thief to tea". He declared that all he had done was to ask the Indian Regional Commissioner "to give his assistance" to the administration which was threatened from without. Some 25,000 Indian troops had then surrounded the State and threatened to unseat its ruler. The reason for his request to the Indian Regional Commissioner was that the "provisional Government" had presented an ultimatum on Oct. 7 and asked for an answer on Nov. 8. The State Council had capitulated to save the dynasty and to avoid bloodshed. He said the Nawab (who was in Karachi) would not return until the Indian troops had been withdrawn.

Nov. 11.—It was announced that, at the request of the Regency Council of Tripura State, Indian troops had moved in to restore order and confidence.

Protest over occupation of Junagadh. (*see Pakistan.*)

The Maharaja of Kashmir (who had left Srinagar for Jammu on Oct. 26) met Mr. Nehru, in Srinagar, afterwards returning to Jammu.

Nov. 12.—Indian troops captured Mahura, 23 miles west of Baramula. Mr. Nehru visited Baramula with Sheikh Abdullah.

It was announced in Delhi that the Supreme Commander's H.Q. would be dissolved on Nov. 30 because the absence of a spirit of goodwill and co-operation between India and Pakistan had made it impossible for Field-Marshal Auchinleck and his staff to discharge their tasks of reconstituting the former armed forces of British India into new and separate forces for India and Pakistan.

Nov. 14.—In Kashmir, Indian forces announced the capture of Uri, 63 miles west of Srinagar. Rebel, or "Free Kashmir", forces were reported to be attacking Mirpur in south-west Kashmir and to be in control of a great part of this area.

Speech by the Governor-General. (*see Great Britain.*) Occupation of Nilgiri State. (*see Indian States.*) Statement by C.-in-C. Pakistan Army. (*see Pakistan.*)

Export duty imposed on jute. (*see Pakistan.*)

Nov. 15.—Mr. Kripalani, President of the Indian National Congress, resigned. He said the Government had failed to take Congress into its confidence in important matters of national policy.

Nov. 16.—The Minister of Labour, Mr. Jagjivan Ram, announced a five-year labour plan, which aimed at providing full employment and social security for some 180m. workers.

Reports from Jammu stated that clashes had occurred between Muslim villagers and Hindu and Sikh refugees from western Pakistan. Tribal raiders were reported to be strengthening their hold in this area.

Proposals for Kashmir. (*see Pakistan.*)

Nov. 17.—Re-inforcements were sent to Jammu. Reports from that province described massacres of Hindus by tribal raiders in the western districts of Poonch and reprisals on Jammu villages by Dogra Hindus.

The Constituent Assembly met for the first time as the Parliament of the Indian Union.

A spokesman of the "Free Kashmir Government" said that several thousand armed tribesmen were gathering in the N.W. Frontier Province, 10 miles from the border of Kashmir, and were being "restrained with difficulty" from entering the state.

Nov. 19.—Indian troops left Jansum to relieve the besieged towns of Kotli, Mirpur, and Poonch.

Nov. 21.—The Government resumed negotiations with the Hyderabad State delegation led by the Nawab, Moin Nawaz Jang.

Indian forces relieved Poonch, which had been besieged for a fortnight.

Mr. Nehru protested to the Prime Minister of Pakistan against Pakistan's "unilateral action" in levying an immediate duty on jute exported from Pakistan to India, and against "misrepresentation" of the Government's attitude towards Pakistan's claims.

THE INDIAN STATES. Nov. 11.—Occupation of Tripura State. (*see India.*)

Nov. 14.—It was declared in a proclamation that the Indian Government had taken over the administration of Nilgiri State.

Nov. 21.—Hyderabad negotiations resumed. (*see India.*)

ITALY. Nov. 10.—The Government sent a Note to the four-Power committee who were considering the future of the former Italian colonies asking that trusteeship of Eritrea be granted to Italy. They outlined the work accomplished by Italy in its 60 years' administration of the colony, and said that partition would destroy what had been achieved. They were however in favour of examination of Ethiopia's desire for an outlet to the sea.

Nov. 11.—In the course of a demonstration by Communist workers at Mediglia, a small village near Milan, a member of the Uomo

Qualunque Party fired on the gathering, killing one Communist. The man was later lynched by the crowd.

Nov. 12.—There was a general strike in Milan as a protest against the incident at Mediglia, and further incidents followed. A bomb exploded in the H.Q. of the Communist Party and the local H.Q. of the Uomo Qualunque Party and the neo-Fascist Party, Movimento Sociale Italiano, were raided and set on fire. Workers in the gas industry throughout the country went on strike.

Nov. 13.—The Government signed an agreement under which they would henceforth administer the lire fund, which, it was estimated, would ultimately reach 85,000m. lire, created by Government sales of certain goods given to Italy by U.N.R.R.A. The bulk of the fund would be spent during the next five years on relief and rehabilitation work.

Further political demonstrations took place in the northern towns. A general strike was declared in Naples, Genoa, Como, and Turin, and in disorders in Naples right-wing newspapers were burned in the streets and the H.Q. of the Movimento Sociale Italiano and of the Monarchist Party were set on fire. Police reinforcements had to intervene with armoured cars to restore order. Similar disturbances were reported from Castellammare, Spezia, and Leghorn.

Nov. 14.—The gas strike was settled. In Palermo some 2,000 shipyard workers came out on strike. 10 were injured in demonstrations in Verona, and 2 in Florence.

Nov. 15.—At Cerignola, left-wing demonstrators, using hand-grenades and Tommy-guns attacked the carabinieri barracks; 2 persons were killed and 9 wounded. At Foggia, San Severo, Bari, Brindisi, and Lecce, unruly mobs paraded through the streets and burned right-wing newspapers. Widespread attacks were made on party H.Q., including those of the Christian Democrats and Liberals. Transport workers in Rome went on strike.

Nov. 16.—The Communist Party published a resolution alleging that the Government was the tool of U.S. imperialism and took orders from the Vatican and the forces of reaction.

Nov. 17.—Further disturbances occurred in Venice, Viterbo, and Apulia.

Nov. 18.—Violent clashes occurred at Corato between the police and strikers, who were reported to have taken complete possession of the town. Strong forces of police, reinforced by infantry detachments, left Bari for the disturbed areas.

Nov. 19.—Demonstrators in Corato attacked the carabinieri barracks with hand-grenades and Tommy guns; 3 persons were killed and 9 injured in the fighting. Similar disturbances were reported from Gravina and Barletta.

Application for trusteeship of former colonies. (*see page 682.*)

Nov. 20.—A general strike was declared throughout the whole of Apulia. Strikers besieged the carabinieri barracks at Gravina, and one man was killed while attacking the Christian Democrat H.Q. At Campi Salentini, near Lecce, agitators clashed with Christian Democrats and

then attacked the police with tommy-guns and hand grenades. Two persons were killed and injured in the fighting. At Bitonto, near Bari, crowds burned the right-wing party H.Q. and other buildings. The police intervened but were overwhelmed.

Nov. 21.—Police reinforcements with armoured cars and light tanks succeeded in re-establishing order in Bitonto. In Rome, bombs exploded at the party H.Q. of the Christian Democrats and of the Uomo Qualunque Party.

Nov. 22.—The general strike in Bari was ended.

The Constituent Assembly passed a law for the repression of Fascist and "violent" monarchist activity.

JAPAN. Nov. 19.—Chinese Note on peace treaty. (*see page 682.*)

PAKISTAN. Nov. 11.—The Government, in a telegram to the Indian Government, protested against the occupation of Junagadh by Indian troops, and demanded the immediate withdrawal of the troops and the relinquishment of the administration to the rightful Government. They stated that neither the ruler nor the Dewan were legally entitled to negotiate any settlement, temporary or permanent, with India, and that the taking over of the administration constituted a violation of Pakistan territory and a breach of international law. Until the troops were withdrawn and administration restored to the Nawab nothing could be gained by holding an inter-Dominion conference as suggested by Mr. Nehru.

Nov. 12.—Supreme Commander's H.Q. dissolved. (*see India.*)

Nov. 14.—The C.-in-C., Pakistan Army, issued a *communiqué*, stating that no help had been given to the tribesmen invading Kashmir. No weapons had been supplied for tribesmen by the Pakistan Army, nor had any serving Army officer played any part in planning or directing tribal operations in Kashmir.

The Government announced the imposition of an export duty on raw jute transported across the land frontier of Pakistan. They stated that every effort had been made to arrive at a settlement with India, but the latter had refused to agree.

Nov. 16.—The Prime Minister, Liaquat Ali Khan, proposed in a statement that the whole dispute over Kashmir between India and Pakistan should be "brought before the bar of international opinion, and that the United Nations should be asked immediately to appoint representatives in Jammu and Kashmir State to put a stop to fighting there". He said that United Nations representatives in Kashmir should also be asked to "arrange a programme for the withdrawal of outside forces, and to ascertain the free and unfettered will of the people of Kashmir on the question of accession". He added that Mr. Jinnah, at his last meeting with Lord Mountbatten, put forward three proposals: (1) That the Governors-General be authorised by their Governments to give 48 hours' notice to cease fire; (2) that the Indian forces and tribesmen withdraw simultaneously from Kashmir territory; and (3) that the Governors-General be vested with full powers to

restore peace, to undertake the administration of Jammu, and Kashmir State, and to arrange a plebiscite without delay under joint control and supervision. "We made it clear that we had no control over the forces of the provisional Government of Kashmir or the tribesmen engaged in the fighting, but we were prepared to warn them in the clearest terms that if they did not obey the order to cease fire immediately, the forces of both Dominions would make war on them."

The Indian Government's official reply, he said, showed that it was not prepared to accept any of their suggestions. He went on: "There was not the slightest doubt that the whole plot of the accession of Kashmir to India was planned in advance. It cannot be justified on any constitutional or moral grounds. The Indian Government's whole conduct is based on 'might is right', and on the belief that Pakistan is unable to fight them. If the Indian Government is allowed to follow its imperialist land-grabbing policy, this will have repercussions not only in Asia but throughout the world."

Nov. 22.—Protest over the duty on jute. (*see India.*)

PALESTINE. Nov. 11.—U.S. and Soviet proposals. (*see page 680.*)

Nov. 12.—Jewish terrorists fired at a group of policemen outside a café in Haifa, killing one man and injuring 3 others.

Nov. 13.—Further British statement. (*see page 680.*)

Jewish terrorists attacked a café in Jerusalem, killing one British policeman and injuring 20 others. Three British civilians were killed by terrorists in Haifa.

Nov. 14.—Four Britons were murdered by Jews in the streets — two soldiers in Tel Aviv and two constables in Jerusalem.

Nov. 16.—It was learned that the British withdrawal from Palestine had begun.

The *Kadimah*, carrying some 800 illegal Jewish immigrants, was brought into Haifa by a naval escort and her passengers transferred to other ships and taken to Cyprus. Some 175 Jews aboard a small schooner, the *Aliya*, got ashore near Naharia and escaped.

PERSIA. Nov. 10.—It was learned that the Prime Minister, Qavam-es-Sultaneh, had sent a letter to the Soviet Ambassador informing him that the Majlis had declared the 1946 oil agreement with the U.S.S.R. null and void because it did not conform with the law of December, 1944, forbidding the granting of oil concessions to foreigners.

Nov. 20.—Note on oil agreement. (*see U.S.S.R.*)

POLAND. Nov. 14.—Peasant leaders escape. (*see Great Britain.*)

Nov. 16.—The Sejm deprived M. Mikolajczyk of his seat in the Diet, denounced him as a traitor to the Polish State and nation, declared him banished for life, and appealed to the Government to deprive him of Polish citizenship. M. Korbonski was deprived of his seat in the Sejm.

Nov. 18.—The Government sent a Note to Sweden charging the Swedish Consul at Gdansk (formerly Danzig) of being implicated in

the escape from Poland of M. Korbonski and asking that he be recalled.

Nov. 22.—Trade agreement. (*see Hungary*.)

RUMANIA. Nov. 11.—Dr. Maniu, leader of the Peasant Party, and Ion Mihalache, vice-president of the party, were sentenced to hard labour for life for treason. Because of their age, their sentences were commuted to solitary confinement for life. Grigore Nicolescu-Buzesti, former Foreign Minister, Alexander Cretzeanu, former Ambassador at Ankara, Grigore Gafencu, former Foreign Minister, and Constantin Visoianu, former Foreign Minister—all tried *in absentia*—were sentenced to terms of imprisonment of from 15 years to life.

Note from U.S.A. (*see U.S.A.*)

SIAM. Nov. 10.—A broadcast from Bangkok stated that Marshal Pibul had set up in the place of the Regency Council a five-man advisory council invested with virtually royal power. He told the press that he had not engineered a *coup d'état*, but was forced to assume responsibility for the overthrow of the Government by the military party, whose aim was to "establish stable and honest government". The new Prime Minister was Luang Kavid Aphaiwongse, who held the post during the Japanese occupation.

Nov. 15.—The Deputy Supreme Commander, Gen. Chin Chung-kawan, in a statement in Bangkok, said that a large number of members of the former Free Thai Movement and others had been arrested in the past week on charges of plotting revolution. He said their aim was to establish a Republic and prevent the return of King Phumiphon Adulet (who was studying in Switzerland). He added that arrests had been made all over the country, but that no army men were involved in the plot, which had been foiled by the *coup* led by Marshal Pibul. He declared that the late King Ananda Mahidol, who was found dead in bed with a bullet wound in the head, was murdered, and said there is definite proof of this and arrests had been made.

SPAIN. Nov. 11.—U.N. discussion. (*see page 679.*)

SWEDEN. Nov. 18.—Note from Poland. (*see Poland.*)

Nov. 19.—The Foreign Ministry issued a statement categorically rejecting the Polish charges against the Consul at Gdansk.

U.S.A. Nov. 10.—Mr. Marshal, outlining the Administration's proposals for long term and stop-gap aid to Europe, said he did not intend asking Congress for an over-all appropriation for the whole four years of the Paris plan because the uncertainties of weather, crops, supply availabilities, and prices made accurate estimates impossible. The first request would be for a 15-month period starting April 1 and would call for "something under" \$1,500m. for April 1 to June 30 and "somewhat less" than \$6,000m. for the year beginning July 1. As a general principle, "aid should take the form of grants or loans, depending in each case on the capacity of a particular country to repay and

the effect which an accumulation of additional external debt would have on sustained recovery". In general, however, imports of food, fertiliser, and fuel, with indispensable items of capital equipment for immediate replacement and repair and of essential materials, should be financed by grants. "Loans should be made to cover imports of capital equipment and raw materials which will directly produce means of repayment and where such repayment can reasonably be expected."

He proposed that the U.S.A. should enter into bilateral agreements with each of the 16 nations which took part in the Paris economic conference to assure that aid was effectively used. (The nations were Austria, Belgium, Britain, Denmark, Eire, France, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, and Turkey.) These agreements would include undertakings to adopt monetary, fiscal, and other measures to maintain stability in price and cost structure, to develop production, to reach targets set by the participating countries, to increase production of coal and basic foods, and to co-operate in reducing barriers to trade and promoting increased interchange of goods and services. The final plan to be submitted to Congress would contemplate the use of funds for purchases outside the United States of commodities not available in sufficient quantities inside the country, especially in Canada and Latin America. "Such countries should be encouraged to contribute directly as much as they can to the recovery programme through grants in aid or by extending credits for exports to Europe."

He stressed that the operation of the programme would in many ways define American foreign policy in the eyes of the world and, therefore, must be fully in accord with the policy of the President as expressed through the Secretary of State; that the organisation must be kept flexible so that it could be responsive to "changing situations and varying supply conditions"; that full use should be made of existing Government agencies interested in foreign aid problems; and that the administration of the help must be under strong central direction and integrated closely to other operations of the Government, both at home and abroad. All liaison work with the 16 European nations should be handled through the American Embassies and missions already established there.

Speaking on the need for an interim aid programme to cover the period until April 1, 1948, when the full plan would begin, he pointed out that Austria would exhaust her funds shortly after the beginning of the year; France could continue to buy essential food and fuel only until the end of December; while Italy was in the worst plight of all, facing a halt of dollar shipments by the beginning of next month. He therefore proposed the giving of the following help:

France: \$328m.; Italy: \$227 m.; and Austria: \$42m. This programme was designed to let people of these three countries "continue to eat, work, and survive the winter". The urgency was so great that a new agency should not be set up to handle this phase of foreign aid, and distribution of funds should follow the pattern arranged for the post-U.N.R.R.A. programme earlier this year. The aid would be concen-

trated largely on food, fuel, fertiliser, fibres, seeds, and medical supplies. Countries receiving the help would be pledged by bilateral agreement to use local currency profits from the sale of these goods only for such purposes as both the U.S.A. and the recipient country agreed to.

Besides these programmes for Europe he said he understood that the Army would ask Congress to supply about \$500m. for occupation costs in Germany, Japan, and Korea to July. Of this "slightly more than \$300m. would go to meet "additional requirements in Western Germany". He also envisaged the granting of additional aid to China where the situation continued to cause the State Department "deep concern".

President Truman, in his report to Congress on the Greco-Turkish aid scheme, said that economic collapse in Greece had been averted by United States aid but that the situation had not basically improved. The increase of military operations in Greece had made necessary the transfer of funds from the economic to the military programme.

Nov. 11.—Mr. Marshall, giving evidence before the Senate foreign relations committee, and answering a request for an estimate of the total which would be needed for all purposes of foreign relief until the end of the fiscal year, June 30, said this would be \$2,657m., made up of \$597m. for emergency aid to France, Italy, and Austria, \$500m. for additional occupation costs in Germany, Japan, and Korea, \$60m. for China, and \$1,500m. for the first three months of the long-range programme. The total programme for China he estimated at about \$300m., to be spent at a rate of \$20m. a month. He added that further funds would be asked for later for Greece and Turkey, but not for expenditure in the current fiscal year. No direct appropriations would be asked for for South American nations, but the funds needed would be drawn from the Export-Import Bank. Mr. Douglas, Ambassador to Britain, also giving evidence, said that if the country abandoned western Europe, the resultant disorganisation would cost the U.S.A. "incalculable millions". There were risks in the aid programme, but the risk of doing nothing was infinitely greater.

Nov. 12.—M. Pfeiffer, leader of the Hungarian (Opposition) Independence Party arrived in New York. He said that the Prime Minister, M. Dinnyes, and the Communist leader, M. Rakosi, had publicly stated that he would be arrested, and that his politics would not be tolerated. He had left Budapest on Nov. 4.

Mr. Harriman, giving evidence to the Senate foreign relations committee on the interim aid programme, said that, of the \$597m. proposed, \$301m. would be spent on food, \$184m. on oil, \$35m. on petroleum, \$35m. on cotton, \$35m. for fertilisers, pesticide and seed, and \$4m. on medical supplies.

Nov. 14.—It was announced that at the request of the Greek Government, the U.S. mission was being enlarged from 62 officers and men to about 90 officers and 80 men.

The Government sent a Note to Rumania protesting against the accusations made during the trial of the leaders of the National Peasant Party that members of the U.S. mission conspired to overthrow the

Rumanian Government by force. They stated: "The U.S. Government deem it unnecessary and inappropriate to dignify the charges by specific refutation. By virtue of the U.S. participation in the agreements of Yalta, Potsdam, and Moscow, and in the exercise of U.S. prerogatives as an Armistice Power, U.S. representatives, for legitimate purposes, have maintained association with the representatives of all the significant political elements in Rumania. Such associations have been known to all and have properly been questioned by none."

Nov. 17.—Joint Greek-U.S. Army Staff. (*see Greece.*)

The Export and Import Bank announced a provisional agreement to lend Canada \$300m. to allow the Dominion to maintain purchases of "essential equipment and raw materials" in the U.S.A.

Purchase of maize. (*see Argentina.*)

President Truman, addressing a joint session of Congress, said that the interim aid programme was a vital prerequisite to a long-range reconstruction programme for Europe. Prompt Congressional approval of stop-gap aid would be "a convincing proof to all nations of our sincere determination to support the freedom-loving countries of western Europe in their endeavours to remain free and to become fully self-supporting once again. If that action is followed by the enactment of the long-range European recovery programme, this Congress will have written a noble page in the world annals". He went on: "The future of the free nations of Europe hangs in the balance. The future of our own economy is in jeopardy. The action which you take will be written large in the history of this nation and of the world. If the western European nations should collapse this winter as a result of failure to bridge the gap between their resources and their needs, there would be no chance for them—or us—to look forward to their economic recovery. We have found that not all nations seem to share our aims or approve our methods. We regret differences which have arisen and criticisms so loudly expressed. And yet we cannot afford to let, and we do not intend to let, current differences with some nations deter our efforts to co-operate in a friendly fashion and to assist other nations who, like us, cherish freedom and seek to promote the peace and the stability of the world."

Mr. Truman said it was a tribute to the strength of American democracy that it was able to make so great a contribution to the freedom and welfare of other nations. The way in which this strength was used would have a decisive effect on the course of civilisation. He said:

"We are convinced that the best way to prevent future wars is to work for the independence and wellbeing of all nations. This conviction guides our present efforts and will guide our future decisions."

The foreign aid programme and the programme to combat inflation at home were connected. He declared "If we neglect our economic ills at home, if we fail to halt the march of inflation, we may bring on a depression from which our economic system as we know it might not recover. And if we turn our back on the nations still struggling to recover from the agony of war, not yet able to stand on their own feet,

we may lose for all time the chance to obtain a world where the free peoples can live in enduring peace. We already have an alarming degree of inflation. And even more alarming, it is getting worse." He put forward a ten-point programme to "combat the ominous threat".

1. Restoration of controls on hire-purchase and restraining of inflationary bank credit.
2. Regulation of speculative trading on grains and other commodity exchanges.
3. Extension and strengthening of export controls, which under present legislation would expire in March.
4. Extension of the Government's present authority to allocate transport facilities and equipment to ensure delivery of goods for export.
5. The passing of measures to induce the marketing of live stock and poultry at weights which would mean a saving of grain.
6. The empowering of the Department of Agriculture to expand its programme of encouraging conservation practices and the authorising of measures "designed to increase production of foods for foreign countries".
7. Authorisation of allocation and inventory controls of scarce commodities basically affecting the cost of living and industrial production.
8. Extension and strengthening of rent control.
9. Authorisation of consumer rationing on products in short supply basically affecting the cost of living.
10. Reimposition of price ceilings on critical products as well as reimposition on wage ceilings, although he considered there would be few occasions when the imposition of wage ceilings would be necessary.

Mr. Truman said the Government wanted powers to restore consumer rationing "as a preparedness measure". Price ceilings would be used "at the relatively few danger spots". Rationing would be "on a highly-selective basis". It would take several months to set up machinery to administer the controls again, but "if we fail to prepare and disaster results from our unpreparedness we will have gambled with our national safety and lost". It was only "fair" that wages should also be controlled, but he added: "I am confident if the cost of living can be brought and held in reasonable relationship to the incomes of the people wage adjustments through collective bargaining will be consistent with productivity, and will avoid an inflationary round of wage increases". He said he realised he was proposing "drastic measures", but he declared: "The American people want adequate protection from these dangers and they are entitled to it. It should not be denied them. Nor should they be misled with half-measures. We shall be inviting that catastrophe unless we take steps to halt runaway prices. The freedom we cherish in our own economy and the freedom we enjoy in the world today are both at stake. I am confident that Congress, guided by the will of the people, will take the right course."

Nov. 18.—Mr. Marshall, addressing the Chicago Council on Foreign Relations, said the problem of Germany was "acute" among the general problems of restoring Europe's stability. He went on: "Without a revival of German production there can be no revival of Europe's economy. But we must be very careful to see that Germany could not again threaten the European economy." Insisting "there can be no question of the absolute necessity of keeping Germany disarmed and demilitarised," he repeated that the U.S. offer for a four-Power 40-year

German non-aggression pact still stood. He emphasised in addition that "there is an imperative necessity for safeguards to ensure that the economic power of Germany shall not be used by a future German Government as a weapon for the furtherance of exclusive German politics. The answer to the problem relates primarily to the future rôle and functioning of the great industrial complex in the Ruhr. The U.S.A. believes a safeguard must be set up to ensure that the resources and industrial potential of the Ruhr, particularly in respect of coal and steel, should not be left under the exclusive control of any future German Government, but should be used for the benefit of the European community as a whole".

Turning to the diplomatic problems facing the U.S.A. he declared: "We are aware of the seriousness and extent of the campaign which is being directed against us as one of the bulwarks of western civilisation. We are not blind to any of the forms which this attack assumes. And we do not propose to stand by and watch. But at the same time we are aware of our strength and of the fact that there is great need in many countries for our help and friendship." Emphasising that the U.S.A. was part of European civilisation, Mr. Marshall said it and Britain were genuinely striving for European recovery. "Unfortunately it has become apparent that a third great Power which contributed so much to the common victory does not share that purpose. For reasons that are still obscure it is endeavouring apparently to prolong the present unsatisfactory state of affairs indefinitely." He contended that it was this divergence of purpose concerning the future of Europe which was the cause of many deep-seated differences between the United States and Russia, and he believed that "if Europe is restored as a solvent and vigorous community this issue will have been decided and the disturbing conflict between ourselves and the Soviet, in so far as Europe is concerned, will lessen".

Speaking on foreign policy and the related aid programmes, he said Soviet officials and Communist groups elsewhere were "waging a calculated campaign of vilification and distortion of American motives in foreign affairs . . . [charging] the U.S.A. with an imperialist design, aggressive purposes, and finally with a desire to provoke a third world war". He went on: "I wish to state emphatically there is no truth whatsoever in these charges and I add that those who make them are fully aware of this fact. We have annexed no territory, we have not used the greatest military power and military resources ever assembled to acquire for the U.S.A. a special privileged position, either political or economic."

He pointed to the way in which both the U.S.A. and Britain since the end of the war had voluntarily reduced the area of their sovereignty in the world and given dependent peoples independence and a place in the United Nations.

Mr. Marshall said he was anxious to "clear up" issues arising from propaganda exchanges between Russia and the United States. He said that the war ended with the people of the U.S.A. holding a high regard for the Soviet people, Army and leaders. Yet today that attitude had

completely changed. He declared: "The truth as I see it, is that from the termination of hostilities down to the present time the Soviet Government has consistently followed a course which was bound to arouse the resentment of our people." Charging Soviet delegates with using "propaganda of the most brazen and contemptuous character" at the U.N. General Assembly meeting, he said: "Since it affects the very stability of the world it is time to call a halt to such inflammatory practices." He added he was not pessimistic regarding the progress made by the United Nations during the current General Assembly. "The organisation did pass through a serious struggle, but I think it emerged without loss of potential strength."

Referring to the coming meeting of the Council of Foreign Ministers he said: "I will approach the conference with an open mind and will seek only for a sound basis for agreement. I will seek to avoid a statement for mere popular propaganda effect no matter what the provocation. It is my purpose to concentrate solely on finding an acceptable basis of agreement to terminate the present tragic stalemate and to speed the advent of a new era of peace and hope for Europe and the world."

Nov. 19.—The Senate Foreign Relations Committee approved unanimously the Administration's interim aid Bill.

Nov. 21.—Mr. Marshall in London. (*see Great Britain.*)

Nov. 22.—Note concerning M. Pfeiffer. (*see Hungary.*)

The Bureau of Labour Statistics stated that between mid August and mid September the consumer's price index had risen 2.2 per cent to a record high figure of 163.8 per cent of the 1935-39 base figure.

U.S.S.R. Nov. 10.—Revised proposals for Palestine. (*see page 680.*)

Letter on oil agreement. (*see Persia.*)

Nov. 14.—Search of Soviet camp. (*see France.*)

Statement by Marshal Sokolovsky. (*see Germany.*)

Nov. 20.—The Government sent a Note to Britain describing as groundless the British protests over the seizure by the Soviet authorities the oil refineries in Lobau, Austria.

The Government sent a Note to Persia in reply to a letter from the Persian Prime Minister and stated that the Soviet Persian oil company proposed under the agreement was not a concession but a joint Soviet-Persian enterprise. Under the terms of the pact of April, 1946, the Persian Government undertook to submit the agreement for the formation of this company to the Majlis before October 24, 1946; but in fact the Majlis did not discuss the matter until nearly a year later, and then the Government itself even submitted arguments against the conclusion of the agreement. The Note continued: "Thus the Persian Government treacherously violated its undertakings. The Soviet Government, moreover, cannot pass by the fact that the decision of the Majlis invalidating the agreement on the foundation of a joint Soviet-Persian oil company for Northern Persia, while the British oil concession existing in the south of Persia is being preserved, is an act of rude discrimination against the U.S.S.R. The Soviet Government accord-

ingly makes a strong protest against the hostile actions of the Persian Government, which are incompatible with normal relations between two States, and declares that the Persian Government must be responsible for any consequences".

Nov. 23.—M. Molotov in London. (*see Great Britain.*)

THE GENERAL ASSEMBLY

Nov. 11.—The Assembly adopted a series of resolutions endorsing the qualifications of Ireland, Portugal, the Transjordan, Italy, Finland, and Austria for membership of the United Nations and recommending that the Security Council should reconsider their applications.

Nov. 12.—Mrs. Pandit announced India's withdrawal from the contest (with the Ukraine) for the Security Council seat. She added that India did not accept as permanent a distribution of seats which left the region of the Indian Ocean unrepresented.

Nov. 13.—The Ukraine was elected to the Security Council. Costa Rica and the Philippines were elected to the Trusteeship Council.

The Assembly approved by 41 votes to 6 (the U.S.S.R. and Slav group), with 6 abstentions (the Arab States), the proposal to set up an interim committee of the Assembly. M. Vyshinsky described the plan as "scandalous", and declared that the U.S.S.R. would boycott the committee.

Nov. 14.—The Assembly approved the U.S. proposals for Korea by 43 votes to none, with 6 abstentions. The Assembly endorsed a project for the interim committee to study, investigate, and report on the problems of peace and security which might be placed on the agenda of the next session of the Assembly or be referred to it by the Assembly at the present session. It was the Secretary-General's duty to call the interim committee together within six weeks of the close of the present session, and thereafter it would meet when necessary. The Slav group repeated that they would not take their seats on the committee. The Assembly decided by 41 votes to 6, with 16 abstentions, to go ahead without them.

Nov. 15.—The Assembly voted by 32 votes to 7, with 5 abstentions, in favour of holding its 1948 meeting in Europe. They approved a resolution proposing greater use of the International Court for decisions on legal questions, including controversial interpretations of the Charter.

Nov. 20.—The U.S. proposal that the question of the Security Council veto should be referred to the interim committee of the Assembly was adopted by 36 votes to 6, with 11 abstentions.

Nov. 21.—The Assembly rejected by 31 votes to 19 with 6 abstentions the Indian resolution on the treatment of Indians in South Africa. The Assembly approved by 38 votes to 6, with 11 abstentions, a proposal that its interim committee should consider the question of the Security Council veto, and also approved a request that the Big Five should consult on the problem.

THE POLITICAL COMMITTEE

Nov. 10.—The French delegate said that France would waive her right in the Security Council to veto the admission of new members. M. Gromyko said the U.S.S.R. had no intention of similarly waiving its right of veto. The committee decided to ask the Assembly to reconsider the applications for membership of Eire, Austria, Italy, Portugal, and Transjordan. They also decided to recommend a meeting of the big Five to try to solve the problem of admission of new members, and to ask the International Court whether a member was entitled to make its consent to admission of one country dependent on admission of others.

Nov. 11.—Poland asked that the Assembly should ask the Security Council to take up the question of Spain within one month and order economic sanctions under Article 41 of the Charter with a view to bringing about the downfall of the Franco régime.

Sir Zafrullah Khan (Pakistan) pointed out that if sanctions were to be taken against Spain on the ground of Gen. Franco's treatment of his political opponents, they could not logically stop at Spain. Belgium and Holland both argued against sanctions on the ground that, even if, which they doubted, they were effective in bringing about a peaceful transition to democracy in Spain, they were illegal in the absence of a threat to peace from Spain.

Nov. 12.—The committee adopted by 29 votes to 6, with 20 abstentions, including the U.S.A., a resolution reaffirming the Assembly's resolution of Dec. 9, 1946, and expressing confidence that the "Security Council will exercise its responsibility under the Charter as soon as it considers the situation in Spain so requires".

The committee considered a resolution by India asking the Assembly to express regret at the "refusal of the Union of South Africa to accept the implementation of the last resolution of the Assembly as a basis of discussion with the Government of India, or to take any other steps for such implementation". India also asked the Assembly to request the Union to enter into a conference with India and Pakistan without delay. Mr. Lawrence (South Africa) said that the Union Government was prepared to re-examine, along with the Government of India, the racial policies declared during 1932 and 1947 in the light of experience. He thought, however, that the Union should not be asked to negotiate under the pressure of trade sanctions by India. He considered that the agreements in question were, in fact, declarations of policy which did not impinge on the domestic sovereignty of South Africa, and that the Assembly resolution was invalid as an intrusion into the domestic affairs of South Africa.

Mrs. Pandit (India) said that Gen. Smuts had, in his speeches, been contemptuous of the United Nations decision, with the result that racial feeling had become intensified. She referred to the support given by all the political parties to the boycott of Indian traders which, at one stage, had been 80 per cent effective.

Nov. 17.—The committee carried by 29 votes to 16, with 5 abstentions, the Indian resolution on South Africa. A proposal by Belgium,

Brazil, and Denmark that, in the event of the two parties failing to reach agreement, the matter should be referred to the International Court was defeated by 24 votes to 18, with 16 abstentions.

Nov. 18.—The U.S.A. proposed that the question of the Security Council veto should be referred to the interim committee of the Assembly.

THE PALESTINE COMMITTEE

Nov. 10.—The U.S.S.R. put forward revised proposals.

Nov. 11.—The U.S.A. and the U.S.S.R. reached agreement on a plan to implement partition. The main points of the plan, to which Canada and Guatemala also contributed, were: (1) The mandate would be terminated by May 1 next, when the British administration and military forces would be out. (2) The Jewish and Arab States would become independent on July 1 or on such earlier date subsequent to May 1 as the Security Council might approve. (3) A commission of three to five members, drawn from the small Powers favourable to partition, would be appointed by the Assembly.

Nov. 13.—Sir Alexander Cadogan (Britain), in a statement to the partition sub-committee, said that Britain was preparing to evacuate Palestine by Aug. 1, 1948. He went on: "There are two aspects of this withdrawal—military and civil. On the military side every effort is being made to reduce to a minimum the period required for the operation. It is still not possible to foresee exactly how long it will take to withdraw from Palestine, not only troops but also their supplies. I am instructed to make it clear that British troops would not be available as an instrument for the enforcement of a settlement in Palestine against either the Arabs or the Jews. The fact that it would be impracticable to withdraw the last military contingents before next summer does not by any means imply that we shall continue to maintain the civil administration throughout the intervening period. On the contrary, we reserve the right to lay down the mandate and bring our civil administration to an end at any time after it has become evident that no settlement acceptable to Jews and Arabs has been reached by the Assembly.

"In that event there would be an interval between termination of the mandate and withdrawal of the last British troops. During that interval H.M. Government would no longer maintain the civil administration and would confine themselves to preserving order in the areas still controlled by their remaining forces. It follows—and I think it my duty to the sub-committee to remove any doubt upon this point without further delay—that if the United Nations were at work in Palestine taking the preparatory steps for a settlement which would require enforcement, it must not expect the British authorities either to exercise administrative responsibility or to maintain law and order except in the limited areas of which they would necessarily remain in occupation during the process of withdrawal".

Nov. 17.—The U.S.A. and the U.S.S.R. reached agreement on partition making Aug. 1, 1948, the latest date for the British withdrawal.

It was agreed that the date should be fixed by Britain in agreement with the U.N. Commission, and approved by the Security Council. The partition sub-committee made two modifications in the scheme by giving to the Arab State the town of Beersheba and the surrounding district and the north western frontier of the Negeb.

Nov. 18.—It was learned that the commission for Palestine would consist of Poland, Iceland, Guatemala, Norway, and Uruguay.

Nov. 19.—The partition sub-committee agreed that Jerusalem should be placed under the Trusteeship Council.

A second sub-committee published a report. It found that the United Nations had, under its Charter, no power to give effect to or advance a plan for partition of Palestine into separate Jewish and Arab States. It put forward the following plan: (1) it called for legal opinion by the International Court; (2) it urged the Assembly to take immediate action on the refugee problem so that it could be treated as a matter of extreme urgency by Member States; (3) it recommended the setting up of a provisional Government in Palestine as soon as possible which would have full power to administer an independent unitary Palestine.

Nov. 20.—Sir Alexander Cadogan made five objections to the partition plan as revised by the U.S.S.R. and the U.S.A. with the working group. He said that Britain must refuse to give any authority to the proposed United Nations Commission until the mandate was surrendered; that the mandate would end when Britain alone decided and not in agreement with the commission on the advice of the Security Council; that Britain would yield authority only to the United Nations Commission and then at one stroke, not gradually to provisional councils created by the commission; that Britain would not allow the commission to recruit militia or form governments in any area in which British troops still remained; and that Britain would not seek the Security Council's approval on the date for the final evacuation of her troops. He said that Britain would give fair notice of the date on which she intended to give up the mandate and would forward to the United Nations commission the time-table of the British withdrawal.

Nov. 22.—Mr. Herschel Johnson said that the declared policy of Britain had not been "entirely helpful" in solving the Palestine problem. It had given to the Assembly the impossible task of finding a plan which would make use of the experience and present responsibility of the British without involving them in implementation. Mr. Martin (Britain) pointed out that there was a gap in the U.S.-Soviet implementation plan. The U.N. commission could not perform, under the protection of a mandatory Power, the functions which might involve the mandatory in abnormal responsibilities for law and order. The machinery of independent States could be set up by the commission only after the withdrawal of the mandatory Power, and against opposition which implied that there must be forces available to the United Nations to enforce the plan. Otherwise a risk was being taken.

THE COMMITTEE ON EUROPEAN ECONOMIC CO-OPERATION

Nov. 10.—The Customs Union Study Group met in Brussels, Britain, Belgium, the Netherlands, Luxembourg, Turkey, Greece, Italy, Austria, Portugal, France, Eire, Denmark, Iceland, and Switzerland sent delegates; Norway, Sweden, Canada, Australia, New Zealand, Pakistan, India, and South Africa sent observers.

Nov. 14.—The session was concluded. Each member Government was asked to reply by Dec. 15 to a *questionnaire* prepared by the tariff committee.

THE SECURITY COUNCIL

Nov. 22.—The Council discussed the Assembly's resolution asking them to reconsider the admission into the United Nations of Italy and Transjordan. The Soviet delegate said the views of his Government were unchanged.

INTERNATIONAL CONFERENCES

THE FOUR-POWER COMMITTEE ON THE FUTURE OF THE ITALIAN COLONIES

Nov. 10.—Note from Italy on Eritrea. (*see Italy.*)

Nov. 12.—The committee heard the Ethiopian claim for the restoration of Eritrea as an integral part of Ethiopian territory. M. Abte Wold said his Government could see no case for Italian trusteeship. The presence there of Italy had been due to acts of aggression and she had used the colony to continue such acts.

The committee's commission held its first meeting in Asmara.

Nov. 19.—The Committee heard the Italian claim for trusteeship over the older colonies based on their work done in the colonies and on the thesis that economically it would be harmful to both parties if they were now separated.

Nov. 21.—Egypt asked the committee that Libya should be declared an independent sovereign State immediately. Amr Pasha, Egyptian Ambassador in London, also submitted that Eritrea "was a natural extension of the Eastern Sudan to the sea" and that Somaliland, with its Arab population and connection with Egypt, should determine its own future.

THE FAR EASTERN COMMISSION

Nov. 19.—China sent a Note to all countries composing the commission to suggest that the Japanese peace treaty should be drafted by the 11 Powers on the Commission (12 if Pakistan were included) but that the great Powers should exercise the veto in the same ways as in the Security Council.

THE FOREIGN MINISTERS' DEPUTIES

Nov. 10.—In discussion on the German peace treaty M. de Saint-Hardouin (France) considered that the German Constitution should contain a clause making clear Germany's obligation to accept the treaty, and the U.S.A. favoured a provision similar in scope. The U.S.S.R. considered a constitutional provision unnecessary. It was agreed that the deputies should try to arrange the programme for the Council of Foreign Ministers.

The U.S.S.R. suggested the following programme: (1) Procedure for the preparation of the German peace treaty; (2) form and scope of a provisional German political organisation; (3) report of the Control Council on how it has put into effect the Moscow conference's decisions on demilitarisation and other matters; (4) economic principles, level of post-war industry, and plan for reparations; (5) report of the commission on the Austrian treaty.

Britain and France put forward their proposals for the agenda, and proposed that the order should be reversed. The British suggestions were as follows: (1) Report of the Austrian treaty commission; (2) economic principles, level of German post-war industry, and reparation plans to include the integration of the Saar into the French economy; (3) form and scope of provisional political organisation; (4) the United States draft disarmament and demilitarisation treaty; (5) report of the deputies on procedure for the preparation of a German peace treaty; (6) other business. The French proposals were similar, but they specifically mentioned frontiers as an item.

Nov. 13.—The U.S.A. recommended the following order: (1) the report of the Austrian treaty commission; (2) economic principles; (3) political organisation; (4) a four-Power disarmament and demilitarisation treaty; and (5) other business. Mr. Murphy emphasised that the Americans desired the agenda to be flexible, with economic and political questions interlinked. They saw little point in discussing frontiers until political and economic unity was agreed.

UNITED NATIONS ORGANISATIONS

THE GENERAL AGREEMENT ON TARIFFS AND TRADE

Nov. 17.—The agreement, in line with the proposals of the draft Charter for an international trade organisation, signed in Geneva on Oct. 30 by Australia, Belgium, Brazil, Burma, Canada, Ceylon, Chile, China, Cuba, Czechoslovakia, France, India, the Lebanon, Luxemburg, the Netherlands, New Zealand, Norway, Pakistan, South Africa, Southern Rhodesia, Syria, the United Kingdom, and the United States, was published. It aimed at raising standards of living, ensuring full and employment, developing the full use of the resources of the world by "reciprocal and mutually advantageous arrangements directed to the substantial reduction of tariffs and other barriers to trade, and the

elimination of discriminatory treatment in international commerce". The following are some of the main points.

The signatories accepted the principle of "general most-favoured-nation treatment". "Any advantage, favour, privilege, or immunity granted by any contracting party to any product originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for the territories of all other contracting parties." This would not, however, require the elimination of preferences then in force, or in certain instances on July 1, 1939, between groups of signatories (for example, the members of the British Commonwealth) at rates established in the past or in the new schedules.

Article III provided that imported products should be "accorded treatment no less favourable than that accorded to like products of natural origin" in matters of taxation and "in respect of laws, regulations, and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use". This did not rule out differential transport charges "based exclusively on the economic operation of the means of transport and not on the nationality of the product". Where internal quantitative controls were introduced "no regulations shall be made which formally or in effect require that any specified amount or proportion" of a particular product "must be supplied from domestic sources" nor should quantitative restrictions be imposed on the use of a product which was either not made at home or made in small quantities, in order to protect the domestic production of a competitive or substitutable product. Internal quantitative controls in force on July 1, 1939, or April 10, 1947, might, however, be retained, but they must not be "modified to the detriment of imports", and "shall be subject to negotiation for limitation, liberalisation, or elimination". Quantitative regulation of films would be allowed only in the form of quotas requiring "the exhibition of films of natural origin during a specified minimum proportion of the total screen time actually utilised over a specified period of not less than one year". Such quotas also "shall be subject to negotiations for limitation, liberalisation, or elimination".

In cases where the exports of one country were assisted by dumping or by subsidies or bounties, importing countries might impose anti-dumping duties or countervailing duties not exceeding the margin of dumping of the amount of the subsidy, provided that dumping or subsidies would cause "material injury". "A system for the stabilisation of the domestic price or of the return to domestic producers of a primary commodity, independently of the movements of export prices", which resulted at times in the sale of the product for export at a price lower than the domestic price "shall be considered not to result in material injury . . . if it is determined by consultation among the contractory parties substantially interested" that the system had also sometimes resulted in exports at prices above home prices, and that it "does not stimulate exports unduly or otherwise seriously prejudice the interests of other contractory parties".

Quantitative restrictions on imports would be eliminated, "whether made effective through quotas, import or export licences or other measures". Exceptions were allowed in certain circumstances. Export restrictions might, for example, be used "to prevent or relieve critical shortages" of food or raw materials, and import restrictions might be imposed on "any agricultural or fisheries product" to allow the enforcement of Government measures "to remove a domestic surplus of the like domestic product". More generally, "any contracting party in order to safeguard its external financial position and balance of payments may restrict the quantity or value of imports". The restrictions would not be greater than were required to "forestall the imminent threat of, or to stop, a serious decline" in monetary reserves, or when these reserves were very low "to achieve a reasonable rate of increase". No country would be required to withdraw such restrictions if a domestic policy to achieve and maintain full employment or reconstruct industrial or other resources led to a "high level of demand for imports", in which case it was permissible to establish priorities. Signatories undertook, however, "to pay due regard to the need for restoring equilibrium... on a sound and lasting basis, and to the desirability of assuring an economic employment of production resources". They would not apply restrictions "which will impair regular channels of trade"; and consultation was provided for.

When quantitative restrictions were permitted the agreement provided that there should in general be no discrimination in their application, and they should aim — by means of quotas or import licences — "at a distribution of trade... approaching as closely as possible to the shares which the various contracting parties might be expected to obtain in the absence of such restrictions". Where a country imposed restrictions "to safeguard the balance of payments", however, "it may be able to increase its imports from certain sources without unduly depleting its "monetary reserves" and in this circumstance discrimination in restrictions would be permitted within defined limits. After March 1, 1952, any such discrimination would be subject to approval or limitation by the other contracting parties. State-trading enterprises were to accept the principle of non-discrimination and "make purchases or sales solely in accordance with commercial considerations".

Article XIV provided that when subsidies (including "income and price supports") were granted they would be notified to the contracting parties, and if "serious prejudice" were caused or threatened to the interests of other contracting parties those concerned would "discuss... the possibility of limiting the subsidisation". The signatories recognised that "special governmental assistance may be required" for establishing and reconstructing particular industries, but that "an unwise use of such measures would impose undue burdens on their own economies and unwarranted restrictions on international trade". Provision was made for the consideration by the contracting parties of proposals for non-discriminatory measures of special protection, and in appropriate cases for a release from the relevant obligations.

Emergency action was permitted to a country where "as a result of unforeseen developments and of the effect of obligations incurred... under the agreement, including tariff concessions, any product is being imported in such large quantities and under such conditions as to threaten serious injury to domestic producers". In these circumstances the obligation or concession concerned might be suspended or withdrawn. Provision was made for mutual discussion; but emergency action was permitted failing mutual agreement. The country against which action was taken might subject to the approval of the contracting parties, suspend or withdraw equivalent obligations or concessions.

The formation of Customs unions and of interim agreements designed to lead to full Customs unions "within a reasonable length of time" was declared consistent with the agreement provided that no increase of duties was involved. Modifications of concessions might be negotiated after January 1, 1951, after which also any contracting party might withdraw separately from the agreement.

The General Agreement would not enter into force definitively until it has been accepted by contracting parties who accounted for at least 85 per cent of the total external trade of all the signatories. It would remain in force thereafter until at the earliest January 1, 1951. The relevant sections of the present agreement would be "suspended and superseded by the corresponding provision of the Charter" when the Charter entered into force. Within 60 days after this date any contracting party might lodge an objection. (*see also Great Britain.*)

INTERNATIONAL TRADE CONFERENCE

Nov. 21.—The conference of 63 nations, including 51 members of the United Nations opened in Havana. The U.S.S.R. was not represented.

FORTHCOMING EVENTS

1947

- Dec. 1 Economic Commission for Europe, Geneva
 " 1 International Maritime Conference, Geneva.

1948

- Jan. — U.N. Economic and Social Council, Lake Success.
 " 4 Transfer of Power in Burma.
 " 17 Pan-American Union. Ninth Congress of American States,
 Bogotá.
 Feb. 2 U.N. Economic and Social Council, Lake Success.
 " 15 General Election in Paraguay.
 " 19 U.N. Maritime Conference, Geneva.
 Mar. 7 General election in Italy.
 May 17 Conference of International Non-Governmental Organisations,
 Geneva.
 " 23 U.N. Conference on Freedom of Information, Geneva.
 June 17 I.L.O. Conference, San Francisco.
 " — U.N. Trusteeship Council, Lake Success.
 " — World Power Conference, Stockholm.
 July 12 Economic and Social Council, Geneva.